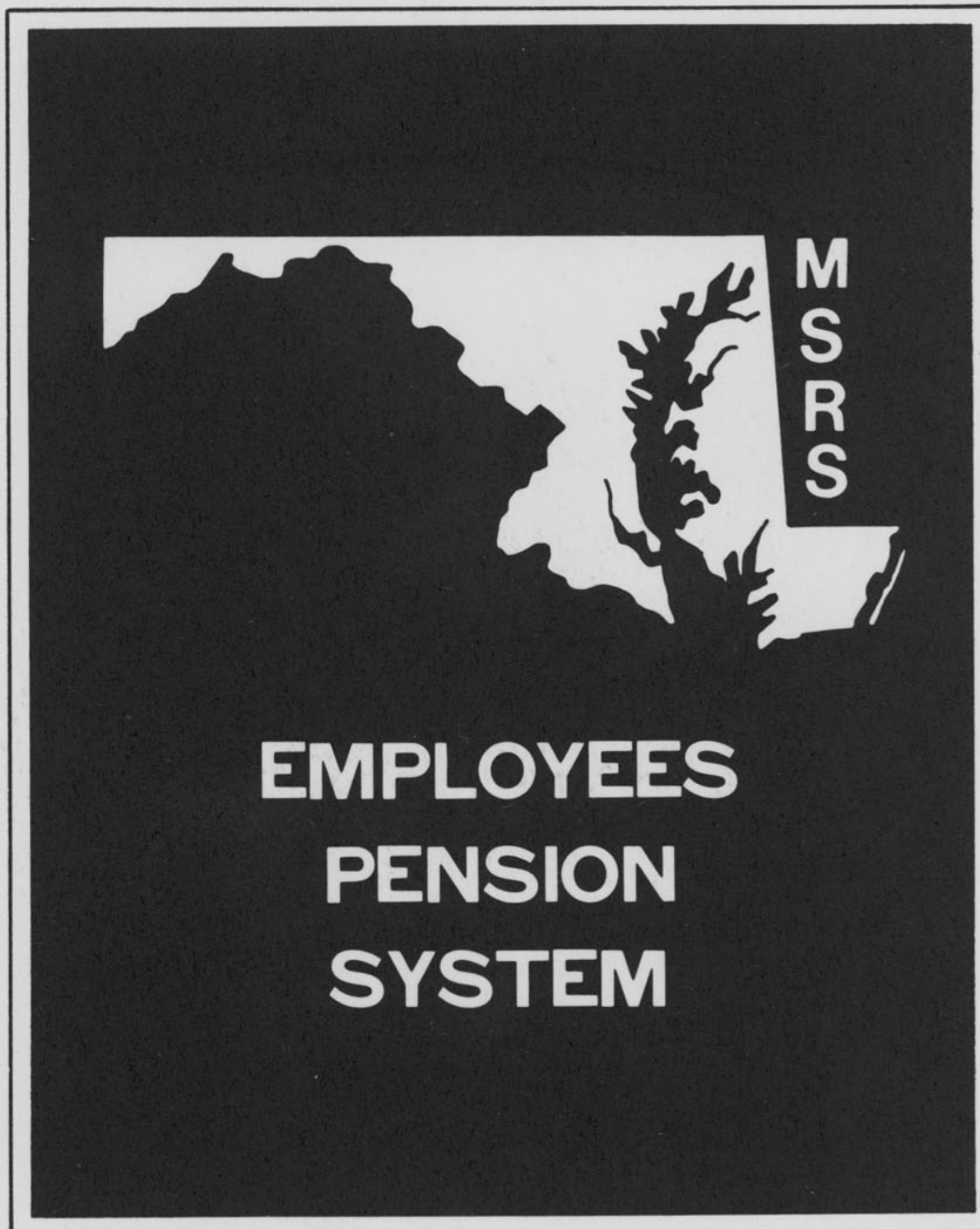


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1981 ANNUAL REPORT



EMPLOYEES' PENSION SYSTEM OF THE
STATE OF MARYLAND

Board of Trustees

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OFFICE OF RETIREMENT SYSTEM

301 West Preston Street

Baltimore, Maryland 21201

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BOARD OF TRUSTEES
EMPLOYEES' PENSION SYSTEM
OF THE STATE OF MARYLAND

301 W. Preston Street, Baltimore, Maryland 21201

June 1, 1982

The Honorable Harry Hughes
Governor of the State of Maryland
Annapolis, Maryland

Dear Sir:

The Employees' Pension System of the State of Maryland, completed its Second year of operation on June 30, 1981. In accordance with provisions of Section 119, Subsection (8) of Article 73B of the Annotated Code of Maryland. The Board has the honor to submit herewith its Second Annual Report.

Respectfully submitted,

Board of Trustees of the
Employees' Pension System
of the State of Maryland

CHRIST G. CHRISTIS

Secretary

ACTUARIAL

CERTIFICATION

George B. Buck Consulting Actuaries, Inc.
Two Pennsylvania Plaza, New York, New York 10121
Telephone 212 | 279 4400

March 8, 1982

BUCK
CONSULTANTS

Board of Trustees
Pension System for Employees of
the State of Maryland
301 West Preston Street
Baltimore, Maryland 21201

Ladies and Gentlemen:

Subsection (7) of Section 119, of the law governing the operation of the Pension System for Employees of the State of Maryland provides that the actuary shall make an annual valuation of the assets and liabilities of the funds of the system. We have the honor to submit herewith the results of the second valuation as of June 30, 1981 made in accordance with this provision of the law.

The assumptions are, in the aggregate, reasonable, and represent our best estimate of anticipated experience under the system. The actuarial cost method utilized is the accrued benefit cost method. This cost method is specifically recognized as an acceptable method by the Employee Retirement Income Security Act of 1974. The current assets applicable to the system were supplied by the Retirement System office. They are valued under the five-year moving average of unit market values method.

In our opinion, the Schedule of Valuation Results appended to this report correctly presents the condition of the Pension System for Employees of the State of Maryland as to those benefits which are funded on an actuarial reserve basis.

The recommended employer normal contribution rates are 4.95 per cent of payroll for municipalities and 4.60 per cent of payroll for the State. The recommended State accrued liability contribution rate is 0.34 per cent of payroll. Separate annual accrued liability contributions have been recommended for payment by the municipalities.

The results of the valuation indicate that the recommended rates of employer contribution together with future contributions by members and the assets currently available are adequate to fund the actuarial liabilities on account of all benefits under the system. The liquidation period for the State's unfunded accrued liability is 39 years from June 30, 1981. The municipalities are to fund their accrued liabilities over a 39-year period from June 30, 1981 or over a shorter period if they so elect.

Respectfully submitted,

GEORGE B. BUCK CONSULTING ACTUARIES, INC.

(Signed) THOMAS J. CAVANAUGH

Thomas J. Cavanaugh, F.S.A.
Consulting Actuary

REPORT OF THE ACTUARY ON THE SECOND VALUATION OF
THE PENSION SYSTEM FOR EMPLOYEES OF
THE STATE OF MARYLAND
AS OF JUNE 30, 1981

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the current and preceding valuations are summarized below.

Valuation Date	6/30/81	6/30/80
Number of active members:		
Men	15,645	11,937
Women	21,990	16,873
Total	37,635	28,810
Annual salaries of active members during year:		
Men	\$ 222,248,108	\$ 159,754,297
Women	263,843,274	190,419,880
Total	\$ 486,091,382	\$ 350,174,177
Number of vested deferred cases	263	55
Number of retired members and beneficiaries	101	15
Annual retirement allowances	\$ 250,008	\$ 45,804
Assets for valuation purposes	\$ 112,349,083	\$ 98,473,384
Normal contribution as per cent of payroll:		
State	4.60%	4.96%
Municipalities	4.95	4.96
Unfunded accrued liability:		
State	\$ 34,666,307	\$ 14,956,880
Municipalities	8,810,663	3,632,843
Total	\$ 43,476,970	\$ 18,589,723
State unfunded accrued liability contribution as per cent of payroll	0.34%	0.20%
Unfunded accrued liability liquidation period (years)	39	40

2. Comments on the valuation results as of June 30, 1981 are given in Section IV and further discussion of the contribution levels is set out in Section V.
3. Schedule B of this report outlines the full set of actuarial assumptions and methods employed. The provisions of the system are summarized in Schedule C.

SECTION II - MEMBERSHIP DATA

1. In order to obtain the aggregate liabilities and assets on account of members of the system as of June 30, 1981, data were needed with respect to each active member and beneficiary of the system and also with respect to terminations during the valuation year. The data with respect to both active and terminated members and beneficiaries were furnished to the actuary by the Retirement System office.
2. From the data, tabulations were made showing as of June 30, 1981 the number and salaries of members classified by age and years of service and the number and retirement allowances of beneficiaries on the roll as of June 30, 1981 classified by age or unexpired years of a certain period. These tabulations are presented in Schedule D.
3. With the establishment of the new Pension System for Employees, members of the Employees' Retirement System were permitted to transfer membership to the Pension System on a voluntary basis. The active membership used in this valuation reflects the transfers that actually took place through July 1, 1981. Transfers will continue to be permitted on a monthly basis in the future.
4. The following table shows the number of members of the Pension System together with annual salaries as of June 30, 1981.

TABLE I

ACTIVE MEMBERSHIP OF THE PENSION SYSTEM FOR EMPLOYEES OF
THE STATE OF MARYLAND
AS OF JUNE 30, 1981

GROUP	NUMBER	ANNUAL SALARIES
Men	15,645	\$ 222,248,108
Women	21,990	263,843,274
Total	37,635	\$ 486,091,382
Subtotal for State Employees	27,972	\$ 376,248,881
Subtotal for Employees of Municipalities	9,663	\$ 109,842,501

5. The following table shows the number and annual amount of retirement allowances of beneficiaries on the roll as of June 30, 1981, classified by sex and status.

TABLE II

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
BENEFICIARIES ON THE ROLL AS OF JUNE 30, 1981

GROUP	NUMBER	TOTAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	27	\$ 43,908
Women	25	32,052
Total	52	\$ 75,960
Disability Retirements:		
Men	31	\$ 110,124
Women	17	62,340
Total	48	\$ 172,464
Benefits to Dependents of Deceased Active Members and Beneficiaries:		
Men	-	-
Women	1	\$ 1,584
Total	1	\$ 1,584
Grand Total	101	\$ 250,008

In addition there were 263 deferred retirements included in the valuation.

SECTION III - ASSETS

- The Annuity Savings Fund is the fund to which are credited the contributions made by members together with interest thereon. As of June 30, 1981, the Annuity Savings Fund had assets credited to it equal to \$3,387,690 based on information reported by the Board of Trustees.

2. The laws governing the Employees' Retirement System and the Pension System for Employees, as amended through 1979, require a transfer of assets from the Retirement Accumulation Fund of the Retirement System to the Retirement Accumulation Fund of the Pension System. This transfer is to reflect the shift in liabilities from the Retirement System to the Pension System as a result of those who elected to transfer membership to the Pension System. It is recommended that a transfer of assets on account of membership transfers during the period from July 1, 1980 to June 30, 1981 be made effective June 30, 1981 in the amount of \$3,989,625 at market value.
3. The amount of assets to be taken into account in this and future valuations is a five-year moving average of unit market values based principally on information reported by the Board of Trustees.
4. Under the five-year moving average of unit market values method an artificial unit value is established as a starting point, and based on that value the starting number of units determined. The increase in the number of units is determined by converting the net cash flow, excluding realized gains and losses, into additional units based on the unit value at the beginning of the measurement period. At the end of the measurement period the number of units is divided into the market value of the fund to determine the new unit value. The average unit value over the past five years is multiplied by the number of units available at the valuation date to determine the value of assets at the valuation date.
5. For actuarial purposes, the assets were calculated to be equal to \$108,489,610 as of June 30, 1981 based on a five-year moving average of unit market values. By utilizing the recommended transfer amount of

\$3,989,625 and the unit market values in effect for the valuation of the assets of the Employees' Retirement System, assets for valuation purposes were calculated to be equal to \$112,349,083 as of June 30, 1981 based on a five-year moving average of unit market values.

SECTION IV - COMMENTS ON VALUATION

Schedule A of this report contains the results of the valuation which show present assets and liabilities of the system as of June 30, 1981. The following comments on the valuation are pertinent:

The schedule shows that the system has total accrued liabilities of \$155,826,053, of which \$3,051,634 is for the prospective benefits payable on account of present retired members and beneficiaries, \$2,258,289 is for the prospective benefits payable on account of members terminated with vested rights and \$150,516,130 is for the prospective benefits payable on account of present active members based on service rendered to the valuation date. Against these liabilities, the system has present assets of \$112,349,083. The difference between the accrued liabilities and the present assets, or \$43,476,970, represents the unfunded accrued liability as of June 30, 1981. Of this total, \$34,666,307 is on account of State membership and \$8,810,663 is on account of the membership of the participating municipalities.

The Employers' contributions to the system are defined by the retirement law to consist of a "normal contribution" which is to cover current liabilities, that is, liabilities accruing on

1
account of service of members during the year following the valuation date not covered by member contributions, and an "accrued liability contribution" which is to cover liabilities on account of service rendered prior to the valuation date.

The valuation indicates that a normal contribution of \$17,417,569 is required of the State and \$5,453,032 is required of municipalities on account of prospective benefits accruing during the year following June 30, 1981 to active members included in the valuation. Of the State total, \$102,595 is to be met by member contributions during the year, and the remainder, or \$17,314,974 is to be met by State contributions. This contribution represents 4.60% of the payroll of active State members included in the valuation.

Of the municipalities total, \$18,025 is to be met by member contributions during the year, and the remainder, or \$5,435,007, is to be met by municipal contributions. This normal contribution represents 4.95% of the payroll of active municipal members included in the valuation. Reflected in the above amounts are contributions required due to experiential losses incurred by the municipalities during the year. These additional contributions of \$380,272 represent 0.35% of the 4.95% of payroll mentioned above.

In addition, an accrued liability contribution at the rate of 0.34% of payroll is necessary to liquidate the State's unfunded

accrued liability of \$34,666,307 over 39 years from June 30, 1981 on a level percent of payroll basis. The accrued liability contribution rate was determined under the assumption that total payroll of the combined active membership of the Retirement and Pension Systems would escalate by 5% per year for the 39-year period. The municipalities are to fund their accrued liabilities over a 39-year period from June 30, 1981 or over a shorter period if they so elect. The accrued liability contributions payable by municipalities were certified as of June 30, 1980.

SECTION V - CONTRIBUTIONS PAYABLE UNDER THE SYSTEM

On the basis of the valuation as of June 30, 1981, normal contribution rates of 4.60 per cent of payroll for the State and 4.95 per cent of payroll for municipalities are being recommended. It is further recommended that the State's accrued liability rate be set at 0.34 per cent of payroll. This rate will be sufficient to fully liquidate the unfunded accrued liability as of June 30, 1981, or \$34,666,307, within 39 years from June 30, 1981.

SECTION VI - EXPERIENCE

The valuation was based on the rates of separation, the mortality tables, an interest rate of 7% and salary scales adopted by the Board on June 10, 1980. An outline of the actuarial assumptions and methods used is presented in Schedule B. The experience during the year ended June 30, 1981 was unfavorable in most respects, resulting in financial losses to the system.

SECTION VII - ACCOUNTING INFORMATION

1. Opinion No. 8 of the Accounting Principles Board of the American Institute of Certified Public Accountants, as amended by Statement No. 36 of the Financial Accounting Standards Board, requires that certain items of information concerning retirement systems be furnished by the actuary for the State's audited financial statements.
2. Statement No. 35 of the Financial Accounting Standards Board requires that certain items of information be furnished by the actuary for the system's audited financial statements.
3. The information required by the amended Opinion No. 8 and Statement No. 35 includes a comparison of the actuarial present value of accrued (accumulated) benefits with the market value of the assets as of the valuation date. The relevant amounts as of June 30, 1981 are:

	:	STATE	:	MUNICIPALITIES	:	TOTAL
Actuarial present value of accrued benefits:	:		:		:	
Vested benefits	:		:		:	
Participants currently receiving payments	:	\$ 1,925,601	:	\$ 441,480	:	\$ 2,367,081
Other participants	:	36,739,773	:	9,025,009	:	45,764,782
	:	\$ 38,665,374	:	\$ 9,466,489	:	\$ 48,131,863
Nonvested benefits	:	6,265,111	:	2,958,331	:	9,223,442
Total	:	\$ 44,930,485	:	\$ 12,424,820	:	\$ 57,355,305
Assets at market value	:	-	:	-	:	\$ 116,720,524*

*Before asset transfer from the Employees' Retirement System.

As of June 30, 1980, the total actuarial present value of accrued benefits was \$59,433,534. During the year 1980-81, the actuarial present value of accrued benefits decreased \$27,523,855 as a result of changes in actuarial assumptions.

The actuarial present value of vested and nonvested accrued benefits is based on an interest rate of 10%. This rate represents the estimated constant equivalent rate of return for the periods during which payment of these benefits will be deferred based on the interest rates in use as of the valuation date to calculate the Pension Benefit Guaranty Corporation's annuity values for terminating plans.

SCHEDULE A

RESULTS OF THE VALUATION AS OF JUNE 30, 1981

(1)	Accrued Actuarial Liabilities	
	Present value of prospective benefits payable in respect of:	
(a)	Present retired members and beneficiaries	\$ 3,051,634
(b)	Present terminated members with vested rights	2,258,289
(c)	Present active members	<u>150,516,130</u>
(d)	Total accrued actuarial liabilities	\$ 155,826,053
(2)	Assets of the System	<u>112,349,083</u>
(3)	Unfunded Accrued Liabilities = (1)(d)-(2)	\$ 43,476,970
(4)	Unfunded Accrued Liabilities of State	\$ 34,666,307
(5)	One year normal contribution on account of State active members	\$ 17,417,569
(6)	One year State members' contribution	<u>102,595</u>
(7)	One year normal contribution by State = (5)-(6)	\$ 17,314,974
(8)	Total State active member payroll	\$ 376,248,881
(9)	State normal contribution rate = (7)÷(8)	4.60%
(10)	Accrued Liability Rate	0.34%
(11)	Accrued Liability Liquidation Period	<u>39 years</u>
(12)	One year normal contribution on account of Municipal active members	\$ 5,453,032
(13)	One year Municipal members' contribution	<u>18,025</u>
(14)	One year normal contribution by Municipalities = (12)-(13)	\$ 5,435,007
(15)	Total Municipal active member payroll	\$ 109,842,501
(16)	Municipalities normal contribution rate = (14)÷(15)	4.95%

SCHEDULE B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

VALUATION INTEREST RATE: 7% per annum, compounded annually.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, vesting, disability, death and early and normal retirement are as follows:

<u>Age</u>	<u>Withdrawal and Vesting</u>	<u>Disability</u>		<u>Death</u>	<u>Retirement</u>	
		<u>Ordinary</u>	<u>Accidental</u>		<u>Early</u>	<u>Normal</u>
25	15.1%	.03%	.01%	.08%		
30	11.2	.04	.01	.10		
35	8.8	.08	.02	.14		
40	7.0	.18	.03	.22	11.3%	
45	5.6	.35	.03	.32	10.3	5.0%
50	5.6	.63	.05	.46	9.9	5.0
55	4.6	1.03	.05	.67	9.6	11.0
60				.96		12.5
65				1.41		22.9
69				1.85		62.9

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows:

<u>Age</u>	<u>Annual Rates of Salary Increases</u>
25	9.98%
30	8.23
35	7.08
40	7.17
45	7.24
50	5.75
55	6.24
60	5.75
65	6.15
69	5.75

DEATHS AFTER RETIREMENT: According to the 1974 George B. Buck Mortality Tables. Special tables are used for the period after disability retirement.

VALUATION METHOD: Accrued benefit cost method (with projection). All gains and losses are reflected in the unfunded accrued liability.

✓ ASSET VALUATION METHOD: Five-year moving average of unit market values. Under this method an artificial unit value is established as a starting point, and based on that value a starting number of units is determined. The increase in the number of units is determined by converting the net cash flow, excluding realized gains and losses, into additional units based on the unit value at the beginning of the measurement period. At the end of the measurement period the number of units is divided into the market value of the fund to determine the new unit value. The average unit value over the past five years is multiplied by the number of units available at the valuation date to determine the value of assets at the valuation date.

SCHEDULE C

SUMMARY OF MAIN SYSTEM PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES

BACKGROUND

The Pension System for Employees of the State of Maryland, which was established on January 1, 1980 under the provisions of Article 73B of the Annotated Code of Maryland, is in its second year of operation. Benefits for membership service under the system are supported mainly by contributions of the State and participating municipalities.

Membership was compulsory for those regular employees entering State service after December 31, 1979. In addition, members of the Employees' Retirement System of the State of Maryland were permitted to voluntarily transfer membership and service credits from the Retirement System to the Pension System since January 1, 1980. Voluntary transfers are further permitted on a monthly basis.

The following is a brief summary of the benefit and contribution provisions of the Pension System. "Average final compensation" means the average annual compensation received by the member for the three consecutive years of service as an employee during which his earnable compensation was highest. "Social Security integration level" means the average amount of earnings for which Social Security benefits would be provided in any year to a male employee age 65 who had earned the maximum Social Security covered earnings in every year of employment.

BENEFITS

Service Retirement Allowance

Condition for Allowance

Upon the retirement of any member who has attained age 62 and whose age plus service equals 67 or who or has rendered 30 years of creditable service, a retirement allowance is payable. Retirement is compulsory at age 70.

Amount of Allowance

The retirement allowance is equal to .8% of the average final compensation of the member not in excess of the Social Security integration level plus 1.5% of the average final compensation in excess of the Social Security integration level multiplied by his years of creditable service.

Early Retirement Allowance

Condition for Allowance

A member who has attained age 55 and rendered 15 years of creditable service may retire and receive an early retirement allowance commencing immediately.

Amount of Allowance

The early retirement allowance is equal to a service retirement allowance based on the member's average final compensation and creditable service at the time of retirement reduced by 1/2 of 1% for each month by which his retirement date precedes the date he will have attained age 62.

Ordinary Disability Retirement Allowance

Condition for Allowance

Upon the application of a member who has become mentally or physically incapacitated for the further performance of duty after five or more years of creditable service, or upon the application of the proper official in charge, a disability retirement allowance is payable.

Amount of Allowance

The disability retirement allowance is equal to a service retirement allowance if the member has attained age 62. Otherwise, the disability retirement allowance is calculated in the same manner as a service retirement allowance based on his average final compensation on the date of dis-

ability and the creditable service he would have rendered had he continued in service to age 62.

Disability Due to Accident
in the Actual Performance
of Duty

Condition for Allowance

Upon the application of a member or of the proper official in charge a member who has been totally and permanently incapacitated for duty as the result of an accident occurring in the actual performance of duty may be retired on an accidental disability retirement allowance in lieu of an ordinary disability retirement allowance.

Amount of Allowance

The accidental disability retirement allowance is equal to the service retirement allowance if the member has attained age 62; otherwise, it consists of the annuity provided by the member's own accumulated contributions, and a pension equal to $66\frac{2}{3}\%$ of the member's average final compensation but in no event is the accidental disability retirement allowance to exceed the average final compensation of the member.

Lump Sum Death Benefit

Condition for Benefit

Upon the death of a member in service, a benefit is paid his estate or to such person as he has nominated unless a benefit is paid to his spouse.

Amount of Benefit

The benefit consists of the return of the member's accumulated contributions and, if the member has one or more years of creditable service, or if the member dies in the actual performance of duty, an additional lump sum equal to the annual earnable compensation of the member at the time of death.

Death Benefit to Spouse

Upon the death of a member in active service who has attained age 62 or who has attained age 55 and rendered 15 years of creditable service and who has not nominated a beneficiary other than his spouse and who leaves a surviving spouse, said spouse receives a retirement allowance

equal to the option 2 allowance that would have been payable had the member retired 30 days prior to death and elected such option where the pension without optional modification in the case of a member who is not eligible for service retirement is calculated on the same basis as though he were eligible for service retirement, except that the spouse may elect to receive in lieu of such allowance the lump sum death benefit including the return of the member's accumulated contributions.

Return of Contributions

Upon the withdrawal of a member prior to death or retirement, the entire amount of his contributions with interest accumulations is returned to him or to his estate.

Vested Retirement Allowance

Condition for Allowance

Any member whose service is terminated other than by death or retirement after 5 or more years of creditable service may elect to receive a vested retirement allowance.

Amount of Allowance

The vested retirement allowance is a deferred allowance commencing at age 62, and is equal to the service retirement allowance based on the member's creditable service and average final compensation at the time his service was terminated.

If the member had 15 or more years of creditable service at termination, he may elect to have the vested retirement allowance commence at age 55. The allowance so payable will be the actuarial equivalent of the allowance payable at age 62.

Special Privileges Upon Retirement

Members upon retirement may elect to receive the actuarial equivalent of their retirement allowances in any one of the following optional forms:

Option 1 - Reduced payments during life with the provision that in case of death before such payments have equalled the present value of the retirement allowance at the date of retirement, the balance

shall be paid to the heirs or assigns.

Option 2 - Reduced payments covering two lives with the provision that at the death of the member, the same allowance shall be continued throughout the life of such other person as the member shall have designated at the time of his retirement.

Option 3 - Reduced payments covering two lives with the provision that at the death of the member, one-half of his allowance shall be continued throughout the life of such other person as the member shall have designated at the time of his retirement.

Option 4 - Some other benefit or benefits payable either to the member or to such person or persons as he shall nominate provided such other benefit or benefits, together with the reduced retirement allowance, shall be certified by the actuary to be of equivalent actuarial value to his retirement allowance and be approved by the Board of Trustees.

Post Retirement Adjustments in Allowances

The allowances of retired members are adjusted annually on the basis of the ratio of the Consumer Price Indices from year to year. The maximum annual increase is 3% of the original retirement allowance.

CONTRIBUTIONS

By Members

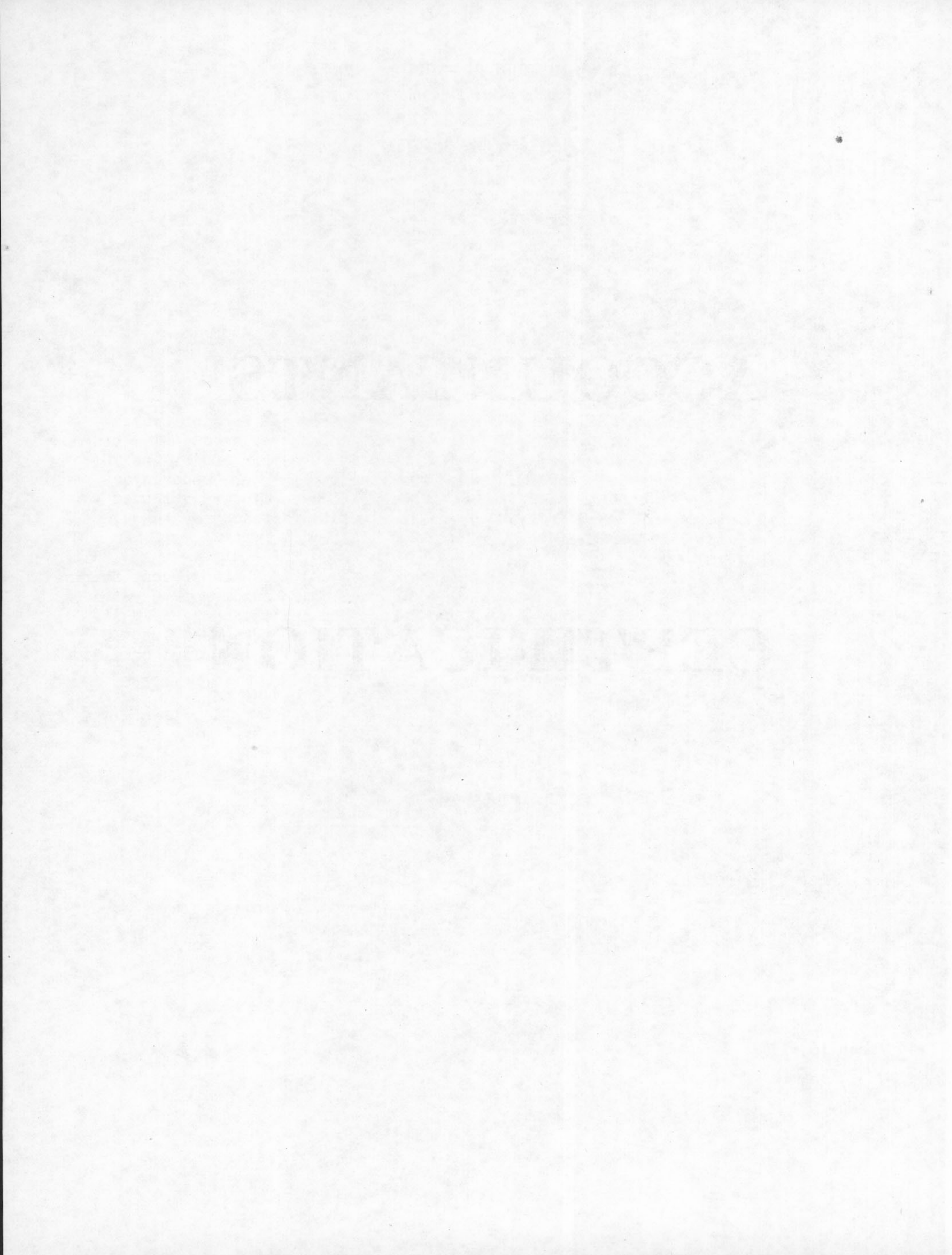
Each member contributes at a rate of 5 per cent of his earnable compensation in excess of the Social Security taxable wage base each year.

By Employers

The State and participating municipalities make annual contributions based on members' salaries so that when members are ready to retire, reserves will have been accumulated that are adequate to provide the pensions and other benefits payable.

ACCOUNTANTS'

CERTIFICATION





EUGENE J. GERCZAK, CPA
LEGISLATIVE AUDITOR

Division of Audits
State Office Building
Baltimore, Md. 21201
Telephone (301) 383-2512

CHARLES C. PIAZZA, CPA
DEPUTY
ROBERT W. DORSEY, CPA
ANTHONY J. VERDECCHIA, CPA
AUDIT MANAGERS

Board of Trustees
Employees' Pension System
of the State of Maryland

We have examined the balance sheets of the Employees' Pension System of the State of Maryland as of June 30, 1981 and 1980 and the related statements of revenue and expenses and changes in fund balances for the year ended June 30, 1981 and the six months ended June 30, 1980. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Employees' Pension System of the State of Maryland at June 30, 1981 and 1980, and the results of its operations and the changes in its fund balances for the year ended June 30, 1981 and the six months ended June 30, 1980, in conformity with generally accepted accounting principles applied on a consistent basis.

Eugene J. Gerczak
Eugene J. Gerczak, CPA
LEGISLATIVE AUDITOR

Robert W. Dorsey
Robert W. Dorsey, CPA
AUDIT MANAGER

March 16, 1982

EMPLOYEES' PENSION SYSTEM OF THE STATE OF MARYLAND

TRUST FUND
BALANCE SHEET
JUNE 30, 1981 AND 1980

	JUNE 30,	
	1981	1980
- - ASSETS - -		
CASH	-	\$ 5,203
ACCOUNTS RECEIVABLE:		
Employers' Contributions - Note 2b	\$ 2,936,198	646,661
Due from Combined Fixed Income Fund - Note 2c ...	300,000	-
Other	174,769	240,661
Total accounts receivable	\$ 3,410,967	\$ 887,322
INVESTMENTS - Note 2c:		
Pro rata share of the Combined Fixed Income Fund of the Maryland State Retirement Systems; at amortized cost (market value \$56,996,612 and \$60,804,101 at June 30, 1981 and 1980, respectively)	\$ 78,462,453	\$ 73,430,451
Pro rata share of the Combined Equity Fund of the Maryland State Retirement Systems; at amortized cost (market value \$62,627,065 and \$40,462,359 at June 30, 1981 and 1980, respectively)	52,453,025	35,383,222
Other, at cost (approximates market value)	72,586	111,891
Total investments	\$ 130,988,064	\$ 108,925,564
TOTAL ASSETS	\$ 134,399,031	\$ 109,818,089
- - LIABILITIES AND FUND BALANCES - -		
LIABILITIES:		
Due to Combined Equity Fund - Note 2c	\$ 164,297	-
Provision for unpresented checks - Note 2d	83,484	-
Refunds payable	21,825	\$ 97,716
Other	19,089	12,968
Total liabilities	\$ 288,695	\$ 110,684
FUND BALANCES:		
Annuity Savings Fund - Note 2e	\$ 3,387,690	\$ 3,072,100
Retirement Accumulation Fund - Note 2f	130,722,646	106,635,305
Total fund balances	\$ 134,110,336	\$ 109,707,405
TOTAL LIABILITIES AND FUND BALANCES	\$ 134,399,031	\$ 109,818,089

The accompanying notes are an integral part of this financial statement.

EMPLOYEES' PENSION SYSTEM OF THE STATE OF MARYLAND

TRUST FUND
STATEMENT OF REVENUE AND EXPENSES BY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1981
AND THE SIX MONTHS ENDED JUNE 30, 1980

	Year Ended June 30, 1981	Six Months Ended June 30, 1980
ANNUITY SAVINGS FUND - Note 2e:		
Revenue:		
Members' contributions	\$ 346,855	\$ 707,303
Expenses:		
Refunds	<u>(296,681)</u>	<u>(726,952)</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	<u>\$ 50,174</u>	<u>\$ (19,649)</u>
RETIREMENT ACCUMULATION FUND - Note 2f:		
Revenue:		
Employer contributions	\$ 14,491,912	\$ 8,563,427
Investment income - Note 2c	6,533,431	3,091,096
Expenses:		
Benefit payments	<u>(1,014,495)</u>	<u>(135,180)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 20,010,848</u>	<u>\$ 11,519,343</u>

The accompanying notes are an integral part of this financial statement.

EMPLOYEES' PENSION SYSTEM OF THE STATE OF MARYLAND

TRUST FUND
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1981
AND THE SIX MONTHS ENDED JUNE 30, 1980

	Annuity Savings Fund (Note 2e)	Retirement Accumulation Fund (Note 2f)
Balances, January 1, 1980	-	-
Excess of revenue over expenses (expenses over revenue) - Six months ended June 30, 1980	\$ (19,649)	\$ 11,519,343
Transfers to the Annuity Savings Fund from the Retirement Accumulation Fund for interest credited to members' accounts	127,959	(127,959)
Transfers to the Retirement Accumulation Fund from the Annuity Savings Fund for contributions of retiring members	(10,569)	10,569
Members' contributions transferred from the Em- ployees' Retirement System's Annuity Savings Fund	2,974,359	-
Employers' contributions transferred from the Em- ployees' Retirement System's Retirement Accumu- lation Fund	<u>-</u>	<u>95,233,352</u>
Balances, June 30, 1980	\$ 3,072,100	\$ 106,635,305
Excess of revenue over expenses - fiscal year 1981	50,174	20,010,848
Transfers to the Annuity Savings Fund from the Retirement Accumulation Fund for interest credited to members' accounts	161,764	(161,764)
Transfers to the Retirement Accumulation Fund from the Annuity Savings Fund for contributions of retiring members	(26,936)	26,936
Members' contributions transferred from the Em- ployees' Retirement System's Annuity Savings Fund	130,588	-
Employers' contributions transferred from the Employees' Retirement System's Retirement Accumulation Fund	<u>-</u>	<u>4,211,321</u>
Balances, June 30, 1981	<u>\$ 3,387,690</u>	<u>\$ 130,722,646</u>

The accompanying notes are an integral part of this financial statement.

EMPLOYEES' PENSION SYSTEM OF THE STATE OF MARYLAND

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND PURPOSE

The Employees' Pension System of the State of Maryland was established on January 1, 1980 and is administered in accordance with Article 73B of the Annotated Code of Maryland. As such, it is managed by the board of trustees for the purpose of providing retirement allowances, death benefits, and disability allowances to State employees and the employees of participating municipal corporations. Enrollment in the Employees' Pension System is optional for all existing employees enrolled in the Employees' Retirement System but is mandatory for State employees hired on or after January 1, 1980. Employees of municipal corporations, hired on or after January 1, 1980, may enroll in the Employees' Pension System upon approval of the legislative body of the municipal corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Method of Reporting

The financial statements of the Employees' Pension System Trust Fund were prepared on the accrual basis of accounting.

b. Contributions Receivable

This receivable represents the contribution due at June 30 from employers, all of which was received in the subsequent fiscal year.

c. Investments

At the close of business on June 30, 1978, the Maryland State Retirement Systems transferred the majority of their investments and the accrued income thereon into combined investment funds, which are structured on a basis similar to that of a mutual fund. In this regard, two commingled funds have been established; the Combined Fixed Income Fund for bonds and other fixed income investments and the Combined Equity Fund consisting principally of common stock. The Employees' Pension System purchased shares of ownership in the combined investment funds beginning January 1, 1980.

The amount due from the Combined Fixed Income Fund at June 30, 1981 (\$300,000) represents a withdrawal from the Combined Fixed Income Fund on June 30, 1981 which was received by the System on July 1, 1981. The amount due to the Combined Equity Fund at June 30, 1981 (\$164,297) represents a purchase of shares in the Combined Equity Fund on June 30, 1981 which was paid by the System on July 1, 1981.

Investment income of the combined investment funds is distributed monthly to the systems based on the number of shares owned by each system. The assets of the combined investment funds are carried at cost, or amortized cost when purchase premiums and discounts are involved (see following schedule). Accordingly, the accompanying balance sheets for June 30, 1981 and 1980 indicate the Employees' Pension System's pro rata share of the assets of the Combined Fixed

Income Fund and the Combined Equity Fund. Admission to and withdrawal from each of the combined funds is allowed only as of the close of business on the last day of each month. The System purchases shares in these funds with receipts collected during the month. However, certain amounts are not invested in the combined funds but are held by the System for the purpose of meeting cash needs for the payment of benefits and refunds. In this regard, the Employees' Pension System utilized temporary idle cash to purchase short term investments (\$72,586 and \$111,891 at June 30, 1981 and 1980, respectively).

Net assets of the combined investment funds for all Systems at June 30, 1981 and 1980 are as follows:

	JUNE 30, 1981			
	Combined Fixed Income Fund		Combined Equity Fund	
	Cost	Market Value	Cost	Market Value
Investments:				
Bonds	\$1,348,487,615	\$ 959,381,904	-	-
Stocks	-	-	\$ 918,566,267	\$1,174,971,105
Commercial paper	50,032,929	50,032,929	281,417,421	281,417,421
Mortgages and ground rents	59,294,001	43,617,571	-	-
Other investments	3,095,225	3,095,225	1,318,270	1,318,270
Other assets	17,530,993	17,530,993	3,737,857	3,737,857
Total Assets	\$1,478,440,763	\$1,073,658,622	\$1,205,039,815	\$1,461,444,653
Less: Accounts payable- stock purchased	-	-	(2,762,727)	(2,762,727)
Net Assets	<u>\$1,478,440,763</u>	<u>\$1,073,658,622</u>	<u>\$1,202,277,088</u>	<u>\$1,458,681,926</u>

	JUNE 30, 1980			
	Combined Fixed Income Fund		Combined Equity Fund	
	Cost	Market Value	Cost	Market Value
Investments:				
Bonds	\$1,245,960,353	\$1,014,115,992	-	-
Stocks	-	-	\$ 926,963,103	\$1,064,733,900
Commercial paper	103,463,490	103,463,490	53,914,036	53,914,036
Mortgages and ground rents	63,924,918	49,057,740	-	-
Other investments	177,805	177,805	407,383	407,383
Other assets	24,735,015	24,735,015	3,194,626	3,194,626
Total Assets	\$1,438,261,581	\$1,191,550,042	\$ 984,479,148	\$1,122,249,945
Less: Accounts payable- stock purchased	-	-	(30,353,911)	(30,353,911)
Net Assets	<u>\$1,438,261,581</u>	<u>\$1,191,550,042</u>	<u>\$ 954,125,237</u>	<u>\$1,091,896,034</u>

At June 30, 1981 and 1980, accounts payable represent payables to brokers for stocks purchased for which payment has not yet been made.

The allocation of the net assets of the combined investment funds to each System at June 30, 1981 and 1980, is as follows:

	JUNE 30, 1981			
	Combined Fixed Income Fund		Combined Equity Fund	
	Cost	Market Value	Cost	Market Value
Employees' Retirement System	\$ 452,933,120	\$ 327,167,032	\$ 372,668,070	\$ 454,695,603
Teachers' Retirement System	840,494,843	610,549,669	702,137,276	849,790,697
Employees' Pension System ..	78,462,453	56,996,612	52,453,025	62,627,065
Teachers' Pension System ..	58,458,537	42,582,639	34,985,006	42,954,347
State Police Retirement System	47,782,611	36,116,802	40,033,711	48,614,214
State Police Pension Fund .	309,199	245,868	-	-
Total	<u>\$1,478,440,763</u>	<u>\$1,073,658,622</u>	<u>\$1,202,277,088</u>	<u>\$1,458,681,926</u>

	JUNE 30, 1980			
	Combined Fixed Income Fund		Combined Equity Fund	
	Cost	Market Value	Cost	Market Value
Employees' Retirement System	\$ 440,018,491	\$ 361,434,764	\$ 305,362,500	\$ 349,804,213
Teachers' Retirement System	823,142,151	682,911,694	555,860,995	635,348,598
Employees' Pension System ..	73,430,451	60,804,101	35,383,222	40,462,359
Teachers' Pension System ..	55,865,392	46,837,638	27,317,827	31,164,396
State Police Retirement System	45,532,737	39,315,194	30,200,693	35,116,468
State Police Pension Fund .	272,359	246,651	-	-
Total	<u>\$1,438,261,581</u>	<u>\$1,191,550,042</u>	<u>\$ 954,125,237</u>	<u>\$1,091,896,034</u>

Investment income includes interest, dividends and the accumulation of discounts, reduced for amortization of premium and accrued interest paid on securities purchased. Gains and losses due to liquidation are recorded in the fiscal period in which the transaction occurs (completed transaction method).

Net income of the combined investment funds for all Systems for the fiscal years ended June 30, 1981 and 1980, is as follows:

	JUNE 30, 1981	
	Combined Fixed Income Fund	Combined Equity Fund
Interest:		
Bonds	\$ 119,113,917	-
Commercial paper	8,407,914	\$ 25,445,259
Mortgages and ground rents	4,626,491	-
Other	6,434,524	332,045
Dividends	-	39,948,330
Profit (loss) on sale of investments	(83,951,970)	32,332,894
Net Investment Income	<u>\$ 54,630,876</u>	<u>\$ 98,058,528</u>

	JUNE 30, 1980	
	Combined Fixed Income Fund	Combined Equity Fund
Interest:		
Bonds	\$ 88,996,495	\$ 6,040
Commercial paper	23,709,924	7,906,810
Mortgages and ground rents	4,811,753	-
Other	6,598,148	317,014
Dividends	-	33,544,752
Loss on sale of investments	(5,757,768)	(10,804,693)
Net Investment Income	<u>\$ 118,358,552</u>	<u>\$ 30,969,923</u>

It is the policy of the Systems to actively manage investment portfolios. Although losses are incurred on the sale of investments, the proceeds are reinvested for the purpose of achieving an overall greater return.

The allocation of the combined investment funds' net income to each System for the fiscal years ended June 30, 1981 and 1980, is as follows:

	JUNE 30, 1981	
	Combined Fixed Income Fund	Combined Equity Fund
Employees' Retirement System	\$ 16,693,297	\$ 31,595,458
Teachers' Retirement System	31,138,242	57,091,854
Employees' Pension System	2,844,167	3,633,737
Teachers' Pension System	2,077,709	2,560,278
State Police Retirement System	1,866,673	3,177,201
State Police Pension Fund	10,788	-
Total	<u>\$ 54,630,876</u>	<u>\$ 98,058,528</u>

	JUNE 30, 1980	
	Combined Fixed Income Fund	Combined Equity Fund
Employees' Retirement System	\$ 40,507,350	\$ 9,871,231
Teachers' Retirement System	71,000,362	17,944,426
Employees' Pension System	1,865,688	1,221,129
Teachers' Pension System	1,346,081	876,834
State Police Retirement System	3,617,430	1,056,303
State Police Pension Fund	21,641	-
Total	<u>\$ 118,358,552</u>	<u>\$ 30,969,923</u>

The following is a detailed analysis of the Employees' Pension System's investment income:

	Year Ended June 30, 1981	Six Months Ended June 30, 1980
From Combined Investment Funds (see preceding schedule):		
Pro rata share of the Combined Fixed Income Fund of the Maryland State Retirement Systems net income from investments	\$ 2,844,167	\$ 1,865,688
Pro rata share of the Combined Equity Fund of the Maryland State Retirement Systems net income from investments	<u>3,633,737</u>	<u>1,221,129</u>
Net Investment Income From Combined Funds	\$ <u>6,477,904</u>	\$ <u>3,086,817</u>
Income From Investments Held Exclusively by System:		
Interest:		
Commercial paper.....	\$ 18,500	
Short term investments	<u>37,027</u>	<u>4,279</u>
Net Income From Investments Held Exclusively by System	\$ <u>55,527</u>	\$ <u>4,279</u>
Total Investment Income	\$ <u>6,533,431</u>	\$ <u>3,091,096</u>

d. Provision For Unpresented Checks

The provision for unpresented checks represents the overnight investment of cash on hand, at the bank, for which checks have been issued but have not yet been presented for payment.

e. Annuity Savings Fund - Members' Contributions

- (1) Members are only required to contribute to the Employees' Pension System 5% of their annual salary that is in excess of the Social Security wage base (wages subject to Social Security tax). Contributions by members together with interest thereon, at 5% per annum, were credited to the Annuity Savings Fund. Upon termination of membership, the member's accumulated contributions are refunded in a lump-sum. Upon retirement, the members' accumulated contributions are transferred from this fund and credited to the Retirement Accumulation Fund.

Members of the Employees' Retirement System who elect to transfer to the Employees' Pension System either are refunded their accumulated contributions and interest thereon; or, at the member's option, the accumulated contributions and interest may be transferred to the member's account in the Annuity Savings Fund of the Employees' Pension System. However, members of the Employees' Retirement System, who earned more than the Social Security wage base during the three fiscal years prior to their transfer to the Employees' Pension System, are required to transfer a portion of their accumulated contributions in the Employees' Retirement System's Annuity Savings Fund to the Employees' Pension System's Annuity Savings Fund. This transfer is based upon the ratio of the average Social Security wage base to the member's average annual salary for the three fiscal years before their transfer. Accordingly, transfers from the Employees' Retirement System's Annuity Savings Fund to the Employee's Pension System's Annuity Savings Fund (\$130,588 for fiscal year 1981 and \$2,974,359 for the six months ended June 30, 1980) consist of both voluntary and required contribution transfers. Upon termination of employment, members can obtain a refund of these funds. However, the member; if vested, may leave his contributions in the System. Upon retirement the member's voluntary contributions, plus interest earned thereon, will be paid to the member as an additional annuity, along with the member's regular pension.

- (2) Retirement contributions continued to be withheld from members' salaries for several weeks subsequent to the date that members transferred from the Employees' Retirement System to the Employees' Pension System. This situation existed because there is a normal time delay of several weeks in processing the transfers. In this regard, \$217,910 for fiscal year 1981 and \$707,303 for the six months ended June 30, 1980 was withheld from members' salaries and recorded in the Employees' Pension System's Annuity Savings Fund. These amounts were then properly refunded to the members. The additional refunds of \$78,771 (\$296,681 - \$217,910) for fiscal year 1981 and \$19,649 (\$726,952 - \$707,303) for the six months ended June 30, 1980 represent refunds to members who had transferred funds to the Employees' Pension System but terminated employment prior to the end of the fiscal year.

f. Retirement Accumulation Fund - Contributions

Contributions made by employers are credited to the Retirement Accumulation Fund. All death and retirement benefits are paid from this fund. The employer's contributions to the Pension System as defined by law, consist of a "normal contribution" to cover current liabilities accruing on account of current service of members, plus an "accrued liability contribution" to cover credit allowed for service rendered prior to the effective date of employer participation in the System and for subsequent amendments.

Employer contributions were made to the Pension System during fiscal year 1981 for special and federal funded State employees and by the municipalities and local subdivisions. State general fund contributions to the Pension System will begin in fiscal year 1982.

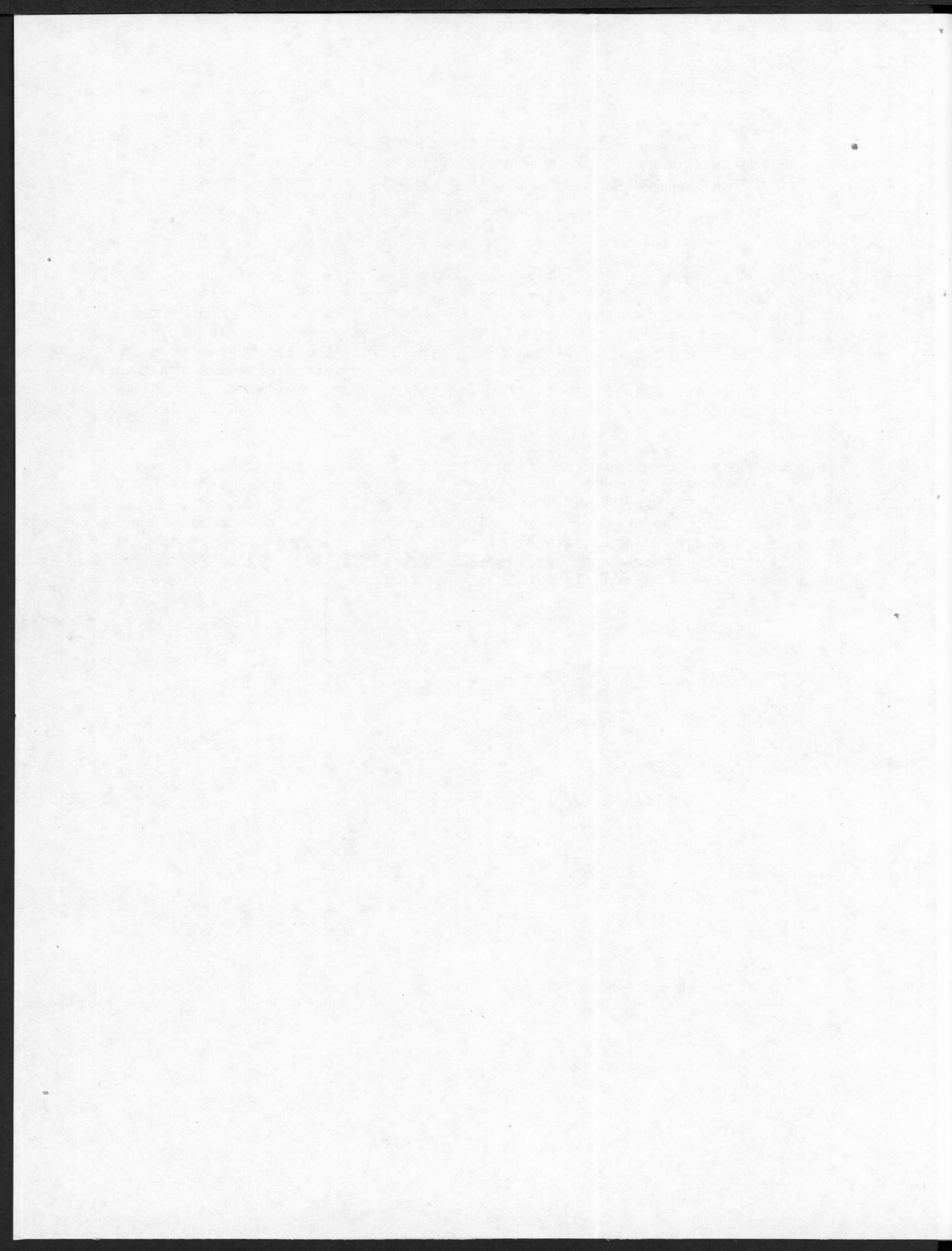
Assets aggregating \$4,211,321 for fiscal year 1981 and \$95,233,352 for fiscal year 1980, were transferred from the Retirement Accumulation Fund of the Employees' Retirement System to the Retirement Accumulation Fund of the Employees'

Pension System. These transfers represented amounts necessary to fully fund, at the time of transfer, the Pension System for those employees who elected to transfer their membership from the Retirement System to the Pension System during fiscal year 1981 and the six months ended June 30, 1980.

3. ACTUARIAL LIABILITIES

The Retirement Systems have engaged an independent firm of consulting actuaries to prepare annual actuarial valuations and perform various actuarial consulting services for the Retirement Systems of the State of Maryland. In accordance with the law governing the Pension System, the employers, effective July 1, 1980, are to provide for full funding of benefits of the Employees' Pension System. The accrued benefit cost method is used in determining the employers' normal and accrued liability contribution rates. The liquidation period for the unfunded accrued liability (as provided by law) is 40 years from June 30, 1980.

According to the actuarial valuation made by the consulting firm, which was based on the accrued benefit cost method, there was an unfunded accrued liability of \$43,476,970 as of June 30, 1981. The amount of the unfunded accrued liability was determined based on the assumption of full funding for all benefits and on these economic assumptions: interest on investments of 7% compounded annually; annual rates of salary increases from 5.75% to 9.98% based on participants' ages, and a 5% annual cost of living increase.



STATISTICAL

SECTION

THE DISTRIBUTION OF THE NUMBER AND AVERAGE SALARIES
OF ACTIVE MEMBERS BY AGE AS OF JUNE 30, 1981

TABLE I

<u>AGE</u>	<u>MEN</u>		<u>WOMEN</u>	
	<u>NUMBER</u>	<u>AVERAGE SALARY</u>	<u>NUMBER</u>	<u>AVERAGE SALARY</u>
17	1	\$7,342	5	\$5,515
18	21	\$8,013	19	\$6,855
19	116	\$8,298	177	\$8,443
20	231	\$8,553	245	\$8,355
21	271	\$8,727	304	\$8,768
22	353	\$9,493	453	\$9,363
23	443	\$10,312	625	\$10,234
24	581	\$10,965	809	\$10,719
25	575	\$11,552	951	\$11,537
26	633	\$12,261	955	\$11,950
27	654	\$12,759	1,032	\$12,437
28	700	\$13,131	1,074	\$12,770
29	695	\$13,832	1,046	\$12,871
30	726	\$14,538	985	\$13,082
31	702	\$15,053	942	\$13,062
32	686	\$15,478	930	\$13,426
33	665	\$15,842	834	\$13,264
34	677	\$16,447	805	\$12,838
35	597	\$16,805	723	\$12,813
36	451	\$16,307	569	\$12,623
37	400	\$16,618	622	\$12,864

THE DISTRIBUTION OF THE NUMBER AND AVERAGE SALARIES
OF ACTIVE MEMBERS BY AGE AS OF JUNE 30, 1981

TABLE I

(CONTINUED)

<u>AGE</u>	<u>MEN</u>		<u>WOMEN</u>	
	<u>NUMBER</u>	<u>AVERAGE SALARY</u>	<u>NUMBER</u>	<u>AVERAGE SALARY</u>
38	448	\$ 16,397	611	\$ 12,498
39	394	\$ 16,374	626	\$ 12,397
40	337	\$ 15,961	514	\$ 12,234
41	286	\$ 16,443	517	\$ 11,882
42	260	\$ 15,953	481	\$ 12,047
43	285	\$ 15,674	495	\$ 12,001
44	260	\$ 16,048	436	\$ 12,017
45	225	\$ 15,200	400	\$ 11,480
46	244	\$ 16,050	396	\$ 11,432
47	226	\$ 15,224	419	\$ 11,768
48	227	\$ 15,863	336	\$ 11,502
49	204	\$ 15,059	336	\$ 11,692
50	227	\$ 15,424	289	\$ 11,570
51	195	\$ 15,460	278	\$ 11,211
52	211	\$ 15,115	245	\$ 11,699
53	190	\$ 13,901	221	\$ 10,976
54	155	\$ 14,112	219	\$ 11,173
55	147	\$ 13,883	192	\$ 11,022
56	161	\$ 13,916	179	\$ 11,298
57	129	\$ 13,537	164	\$ 11,298
58	113	\$ 15,249	112	\$ 11,053
59	113	\$ 14,159	97	\$ 11,001
60	90	\$ 13,006	81	\$ 10,849

THE DISTRIBUTION OF THE NUMBER AND AVERAGE SALARIES

TABLE I

OF ACTIVE MEMBERS BY AGE AS OF JUNE 30, 1981

(CONTINUED)

<u>AGE</u>	<u>MEN</u>		<u>WOMEN</u>	
	<u>NUMBER</u>	<u>AVERAGE SALARY</u>	<u>NUMBER</u>	<u>AVERAGE SALARY</u>
61	80	\$13,343	72	\$9,803
62	75	\$12,301	50	\$9,436
63	52	\$13,266	29	\$10,187
64	40	\$13,220	26	\$9,276
65	26	\$12,107	22	\$10,623
66	14	\$10,554	10	\$7,874
67	13	\$11,458	9	\$6,909
68	13	\$11,808	6	\$6,087
69	11	\$13,601	8	\$5,955
70	6	\$8,094	3	\$9,190
71	3	\$12,720	2	\$6,638
72	3	\$12,416	3	\$2,970
73	2	\$4,071	1	\$6,926
74	1	\$4,930	-	\$ -
80	1	\$50,300	-	\$ -
TOTAL	15,645	\$14,206	21,990	\$11,998

THE DISTRIBUTION OF THE NUMBER AND AVERAGE SALARIES

TABLE II

OF ACTIVE MEMBERS BY YEARS OF SERVICE AS

OF JUNE 30, 1981

<u>YEARS OF SERVICE</u>	<u>MEN</u>		<u>WOMEN</u>	
	<u>NUMBER</u>	<u>AVERAGE SALARY</u>	<u>NUMBER</u>	<u>AVERAGE SALARY</u>
0	1,074	\$11,957	1,434	\$9,937
1	3,731	\$11,942	5,145	\$10,137
2	1,088	\$13,645	1,662	\$11,642
3	1,141	\$13,501	1,574	\$11,889
4	1,167	\$13,840	1,737	\$12,157
5	1,059	\$14,688	1,526	\$12,755
6	1,103	\$15,324	1,782	\$13,070
7	1,066	\$15,434	1,461	\$13,194
8	1,014	\$16,388	1,459	\$13,177
9	484	\$16,594	747	\$13,067
10	356	\$16,958	488	\$13,525
11	398	\$15,949	621	\$13,414
12	339	\$16,497	531	\$13,568
13	277	\$16,425	413	\$13,606
14	256	\$16,759	394	\$13,756
15	216	\$16,779	273	\$13,974
16	179	\$16,265	198	\$13,754
17	139	\$16,104	157	\$13,483
18	138	\$17,050	126	\$14,323
19	109	\$16,040	54	\$13,528
20	71	\$17,013	53	\$13,877
21	62	\$17,241	40	\$13,615

THE DISTRIBUTION OF THE NUMBER AND AVERAGE SALARIES

TABLE II

OF ACTIVE MEMBERS BY YEARS OF SERVICE AS

OF JUNE 30, 1981

<u>YEARS OF SERVICE</u>	<u>MEN</u>		<u>WOMEN</u>	
	<u>NUMBER</u>	<u>AVERAGE SALARY</u>	<u>NUMBER</u>	<u>AVERAGE SALARY</u>
22	57	\$15,362	31	\$13,057
23	38	\$18,044	28	\$14,445
24	28	\$15,361	20	\$14,417
25	16	\$17,847	16	\$14,686
26	12	\$14,545	6	\$16,091
27	5	\$18,885	4	\$13,053
28	6	\$20,057	2	\$14,699
29	8	\$16,745	2	\$11,045
30	1	\$13,369	-	\$ -
31	1	\$17,000	2	\$12,167
32	1	\$11,151	1	\$10,940
33	3	\$16,263	1	\$10,970
34	2	\$14,317	-	\$ -
36	-	\$ -	1	\$7,437
41	-	\$ -	1	\$11,850
TOTAL	15,645	\$14,206	21,990	\$11,998

THE DISTRIBUTION OF THE NUMBER OF ACTIVE
MEMBERS BY SEX AND ENTRANCE DATE

TABLE III

AS OF JUNE 30, 1981

	<u>MEN</u>	<u>WOMEN</u>
Prior to 1940	-	-
1940-1945	-	1
1946-1950	4	5
1951-1955	21	10
1956-1960	130	115
1961-1965	546	533
1966-1970	1,529	2,044
1971-1975	4,067	6,205
1976-1980	8,274	11,643
1981	1,074	1,434
TOTAL	15,645	21,990

THE DISTRIBUTION OF THE NUMBER AND AVERAGE SALARIES
OF ACTIVE MEMBERS BY SEX FOR THE LAST 2 FISCAL YEARS

TABLE IV

<u>FISCAL YEAR</u>	<u>MEN</u>		<u>WOMEN</u>	
	<u>NUMBER</u>	<u>AVERAGE SALARY</u>	<u>NUMBER</u>	<u>AVERAGE SALARY</u>
1981	15,645	\$14,206	21,990	\$11,998
1980	11,937	\$13,383	16,873	\$11,285

MALE RECIPIENTS OF PENSIONS CLASSIFIED BY AGE

TABLE V

AS OF 6/30/81

TYPE OF PENSIONS

<u>AGE</u>	<u>SERVICE</u>	<u>DISABILITY</u>	<u>BENEFICIARIES</u>	<u>TOTAL</u>
34	-	2	-	2
36	-	1	-	1
37	-	1	-	1
38	-	1	-	1
39	-	1	-	1
40	-	2	-	2
43	1	1	-	2
44	1	-	-	1
46	-	1	-	1
47	-	1	-	1
48	-	1	-	1
49	-	1	-	1
51	1	3	-	4
53	-	3	-	3
55	-	1	-	1
56	1	2	-	3
57	-	1	-	1
59	-	1	-	1
60	-	3	-	3
61	-	1	-	1
62	1	2	-	3
63	4	-	-	4

MALE RECIPIENTS OF PENSIONS CLASSIFIED BY AGE

TABLE V

AS OF 6/30/81

(CONTINUED)

TYPE OF PENSIONS

<u>AGE</u>	<u>SERVICE</u>	<u>DISABILITY</u>	<u>BENEFICIARIES</u>	<u>TOTAL</u>
64	3	1	-	4
65	3	-	-	3
66	4	-	-	4
67	2	-	-	2
68	2	-	-	2
69	1	-	-	1
71	2	-	-	2
72	1	-	-	1
TOTAL	27	31	0	58
AVERAGE AGE	65.7	50.2	0.0	57.4

FEMALE RECIPIENTS OF PENSIONS CLASSIFIED BY AGE

TABLE VI

AS OF 6/30/81

TYPE OF PENSIONS

<u>AGE</u>	<u>SERVICE</u>	<u>DISABILITY</u>	<u>BENEFICIARIES</u>	<u>TOTAL</u>
36	-	-	1	1
43	-	1	-	1
46	-	1	-	1
48	-	1	-	1
49	-	1	-	1
52	-	1	-	1
53	-	2	-	2
54	-	2	-	2
55	-	3	-	3
56	1	2	-	3
57	1	1	-	2
58	1	-	-	1
59	2	-	-	2
61	1	2	-	3
62	4	-	-	4
63	5	-	-	5
64	4	-	-	4
65	2	-	-	2
66	1	-	-	1
69	1	-	-	1
71	2	-	-	2
TOTAL	25	17	1	43
AVERAGE AGE	63.0	53.4	36.0	58.6

